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U.S. BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA

UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA

In re: JERROLD DAVIS

CASE NO.: SV97-21299 AG

BY: _____ DEPUTY

Debtor(s).

NOTICE OF SALE OF ESTATE PROPERTY

Sale Date: 5/10/04	Time: 1:30 p.m.
Location: U.S. Bankruptcy Court, 21041 Burbank Blvd., Courtroom 302, Woodland Hills, CA 91367	

Type of Sale: Public Private Last date to file objections: N/A

Description of Property to be Sold: See attachment.

Terms and Conditions of Sale: See attachment.

Proposed Sale Price: See attachment.

Overbid Procedure (If Any): See attachment.

If property is to be sold free and clear of liens or other interests, list date, time and location of hearing:

Contact Person for Potential Bidders (include name, address, telephone, fax and/or e:mail address):

Howard Camhi, Esq. Tel: 310/551-3100
 Rein Evans & Sestanovich LLP Fax: 310/551-0238
 1925 Century Park East, #1600
 Los Angeles, CA 90067

Date: 4/19/04

In re: Jerrold Davis
Case No.: SV97-21299 AG

A. The assets to be sold at a duly noticed auction hearing are (a) the Funrise Loan Account; (b) the estate's interest in its Funrise stock which represents 25% of the outstanding and issued shares of Funrise; (c) the estate's rights in the outstanding litigation that has been referred to in the various sales motions as the Funrise Litigation and Appeals; (d) the miscellaneous items including certain bank accounts in Hong Kong which the Trustee understand may contain approximately \$10,000.00, Stock in Funrise International Ltd. and ownership of a Funrise International Ltd. bank account with approximately \$400; and (e) non-exempt personalty items.

B. The Trustee is authorized pursuant to 11 U.S.C. § 363(f)(4) and (5) to sell the Loan Account free and clear of E&B's disputed lien, with E&B's lien to attach to the proceeds of the Loan Account sale with the same validity and priority and to the same extent as it had as against the Loan Account itself.

C. The Trustee is further authorized pursuant to 11 U.S.C. § 363(k) to sell the Loan Account only to a bidder who will pay cash for the Loan Account and without any credit bidding by E&B.

D. The Trustee is authorized to sell the estate's 25% stock interest in Funrise only to the highest cash bidder. The Trustee is authorized to require Funrise to bid cash for the stock competitively against other bidders such that if Funrise wants to buy the stock it must outbid all other bidders. Funrise's claimed right to match any purchase price would attach to the proceeds of the sale of the stock such that there could be refunded to Funrise

whatever part of its winning bid, if any, the Court determines Funrise did not have to bid because of Funrise's claimed right to match, rather than overbid.

E. The Trustee shall auction each asset individually for cash in the following order: (1) the litigation and appeals; (2) the Loan Account; (3) the Funrise Stock and then (4) the miscellaneous assets and non-exempt personalty.

F. The Trustee is authorized to require the following minimum and incremental bids:

(i) The initial bid for EACH of the assets known as the Funrise Litigation and Appeals, Loan Account, and Funrise stock shall be no less than \$50,000 per asset. The Trustee shall seek a minimum overbid of no less than \$10,000, EACH, on the litigation and appeals, the Loan Account and the Funrise stock.

(ii) The initial bid for the miscellaneous assets, as a group, shall be no less than \$10,000. The Trustee shall seek a minimum overbid of \$1,000 on the miscellaneous assets.

(iii) The initial bid for the non-exempt personalty shall be no less than \$5,000. The Trustee shall seek a minimum overbid of \$1,000 on the non-exempt personalty.

G. The Trustee shall have the discretion to sell or not sell the assets even if he receives the requested minimum bids. More specifically, even if the Trustee receives a minimum bid of \$50,000 per asset on the Funrise Litigation and Appeals, the Loan Account and the Funrise stock, in the event that the Trustee does not receive at least \$360,000 in the aggregate for all of these assets, plus at least \$15,000 for the other assets being sold, the Trustee shall have the right to sell or remove from sale any or all of the assets being sold at the auction notwithstanding the fact that a price may previously have

been agreed upon. In other words, at the sole discretion of the Trustee, the Trustee may remove any or all of these assets being sold if the Trustee fails to receive at least \$360,000 for the litigation and appeal, the Loan Account and the Funrise stock and \$15,000 for the other assets.

H. If the Trustee receives at least \$360,000 in the aggregate for the Funrise Litigation and Appeals, the Loan Account and the Funrise stock, plus at least \$15,000 for the other assets to be auctioned, and if the Trustee receives at least the minimum bid for each asset, the Trustee shall sell all of the assets being auctioned at the in court auction.

I. The Trustee is authorized to require any bidder who desires to bid on any of the assets known as the Funrise Litigation and Appeals, the Loan Account or the Funrise stock to deliver to the Trustee, at or before the time of the auction, a cashier's check in the amount of no less than \$50,000 per each asset on which that bidder may wish to bid. In other words, if a bidder desires to bid on all three of those assets, then such bidder shall be required to deliver to the Trustee at or before the time of the hearing, cashier's checks totaling \$150,000.00.

J. The Trustee is authorized to require any bidder that wishes to bid on the miscellaneous assets to deliver to the Trustee a cashier's check in the amount of no less than \$10,000.00.

K. The Trustee is authorized to require any bidder that wishes to bid on the non-exempt personalty to deliver to the Trustee a cashier's check in the amount of no less than \$5,000.00.

L. In the event of an overbid for any or all of the assets, the successful bidders shall have no more than five (5) business days to deliver to the Trustee cashier's checks sufficient to cover the purchase price of those assets (less any deposit) or the Trustee shall have the right, but not the obligation, to sell that or those assets to the next highest bidder.

M. In the event that a successful bidder is unable or unwilling to finalize the purchase of any or all of the assets, the Trustee shall keep that bidder's initial deposit to assist in defraying the costs of administering these assets.

N. All bids must be for "all cash" as opposed to credit bids and/or bids that contain any percentage recovery on any of the litigation assets.

O. No aggregate bidding (i.e. submitting a single bid for more than one asset) shall be allowed.